



April 7, 2015

ENGROSSED SENATE BILL No. 282

DIGEST OF SB 282 (Updated April 7, 2015 12:18 pm - DI 123)

Citations Affected: IC 32-34.

Synopsis: Unclaimed property act and savings bonds. Provides that, for purposes of the law concerning unclaimed property, United States savings bonds are presumed abandoned three years after the date the bonds stop earning interest. Provides that all property rights and legal title to United States savings bonds and proceeds from the bonds vest solely in the state. Requires the attorney general to: (1) collect any United States savings bonds escheated to the state, including any proceeds from the bonds; and (2) transfer all money received to the treasurer of state for deposit in the abandoned property fund. Allows a person who wishes to make a claim for a United States savings bond escheated to the state to file a claim with the attorney general.

Effective: July 1, 2015.

Walker, Buck, Kruse

(HOUSE SPONSORS — WESCO, LUCAS)

January 7, 2015, read first time and referred to Committee on Civil Law.
January 27, 2015, reported favorably — Do Pass.
January 29, 2015, read second time, ordered engrossed. Engrossed.
February 2, 2015, read third time, passed. Yeas 43, nays 1.

HOUSE ACTION

March 2, 2015, read first time and referred to Committee on Judiciary.
April 7, 2015, reported — Do Pass.

ES 282—LS 6718/DI 69



April 7, 2015

First Regular Session 119th General Assembly (2015)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

ENGROSSED SENATE BILL No. 282

A BILL FOR AN ACT to amend the Indiana Code concerning property.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 32-34-1-18 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 18. As used in this
3 chapter, "state" means a state of the United States **or its**
4 **instrumentalities**, the District of Columbia, the Commonwealth of
5 Puerto Rico, or any territory or insular possession subject to the
6 jurisdiction of the United States.
- 7 SECTION 2. IC 32-34-1-20, AS AMENDED BY P.L.64-2010,
8 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
9 JULY 1, 2015]: Sec. 20. (a) For purposes of this section, an indication
10 of interest in the property by the owner:
- 11 (1) does not include a communication with an owner by an agent
12 of the holder who has not identified in writing the property to the
13 owner; and
14 (2) includes the following:
- 15 (A) With respect to an account or underlying shares of stock
16 or other interest in a business association or financial

ES 282—LS 6718/DI 69



- 1 organization:
- 2 (i) the cashing of a dividend check or other instrument of
- 3 payment received; or
- 4 (ii) evidence that the distribution has been received if the
- 5 distribution was made by electronic or similar means.
- 6 (B) A deposit to or withdrawal from a bank account.
- 7 (C) The payment of a premium with respect to a property
- 8 interest in an insurance policy.
- 9 (D) The mailing of any correspondence in writing from a
- 10 financial institution to the owner, including:
- 11 (i) a statement;
- 12 (ii) a report of interest paid or credited; or
- 13 (iii) any other written advice;
- 14 relating to a demand, savings, or matured time deposit
- 15 account, including a deposit account that is automatically
- 16 renewable, or any other account or other property the owner
- 17 has with the financial institution if the correspondence is not
- 18 returned to the financial institution for nondelivery.
- 19 (E) Any activity by the owner that concerns:
- 20 (i) another demand, savings, or matured time deposit
- 21 account or other account that the owner has with a financial
- 22 institution, including any activity by the owner that results
- 23 in an increase or decrease in the amount of any other
- 24 account; or
- 25 (ii) any other relationship with the financial institution,
- 26 including the payment of any amounts due on a loan;
- 27 if the mailing address for the owner contained in the financial
- 28 institution's books and records is the same for both an inactive
- 29 account and for a related account.
- 30 (b) The application of an automatic premium loan provision or other
- 31 nonforfeiture provision contained in an insurance policy does not
- 32 prevent the policy from maturing or terminating if the insured has died
- 33 or the insured or the beneficiary of the policy otherwise has become
- 34 entitled to the proceeds before the depletion of the cash surrender value
- 35 of the policy by the application of those provisions.
- 36 (c) Property that is held, issued, or owed in the ordinary course of
- 37 a holder's business is presumed abandoned if the owner or apparent
- 38 owner has not communicated in writing with the holder concerning the
- 39 property or has not otherwise given an indication of interest in the
- 40 property during the following times:
- 41 (1) For traveler's checks, fifteen (15) years after issuance.
- 42 (2) For money orders, seven (7) years after issuance.



- 1 (3) For consumer credits, three (3) years after the credit becomes
2 payable.
- 3 (4) For amounts owed by an insurer on a life or an endowment
4 insurance policy or an annuity contract:
 - 5 (A) if the policy or contract has matured or terminated, three
6 (3) years after the obligation to pay arose; or
 - 7 (B) if the policy or contract is payable upon proof of death,
8 three (3) years after the insured has attained, or would have
9 attained if living, the limiting age under the mortality table on
10 which the reserve is based.
- 11 (5) For property distributable by a business association in a course
12 of dissolution, one (1) year after the property becomes
13 distributable.
- 14 (6) For property or proceeds held by a court or a court clerk, five
15 (5) years after the property or proceeds become distributable. The
16 property or proceeds must be treated as unclaimed property under
17 IC 32-34-3.
- 18 (7) For property held by a state or other government,
19 governmental subdivision or agency, or public corporation or
20 other public authority, one (1) year after the property becomes
21 distributable.
- 22 (8) For compensation for personal services, one (1) year after the
23 compensation becomes payable.
- 24 (9) For deposits and refunds held for subscribers by utilities, one
25 (1) year after the deposits or refunds became payable.
- 26 (10) For stock, dividends, profits, distributions, interest,
27 redemption, payments on principal, or any other sum held or
28 owed by a business association for or to a shareholder, certificate
29 holder, member, bondholder, or other security holders of the
30 business association, or other interest in a business association,
31 three (3) years after the earlier of:
 - 32 (A) the date of the last dividend, stock split, or other
33 distribution unclaimed by the apparent owner; or
 - 34 (B) the date of the second mailing of a statement of account or
35 other notification or communication that was:
 - 36 (i) returned as undeliverable; or
 - 37 (ii) made after the holder discontinued mailings to the
38 apparent owner.
- 39 (11) For property in an individual retirement account or another
40 account or plan that is qualified for tax deferral under the Internal
41 Revenue Code, three (3) years after the earliest of:
 - 42 (A) the actual date of the distribution or attempted



distribution;

(B) the distribution date as stated in the plan or trust agreement governing the plan; or

(C) the date specified in the Internal Revenue Code by which distribution must begin in order to avoid a tax penalty.

(12) For a demand, savings, or matured time deposit, including a deposit that is automatically renewable, three (3) years after maturity or three (3) years after the date of the last indication by the owner of interest in the property, whichever is earlier. Property that is automatically renewable is considered matured for purposes of this section upon the expiration of its initial period, unless the owner has consented to a renewal at or about the time of the renewal and the consent is in writing or is evidenced by a memorandum or other record on file with the holder.

(13) For property payable or distributable in the course of a demutualization, rehabilitation, or related reorganization of a mutual insurance company, three (3) years after the earlier of:

(A) the date of last contact with the policyholder; or

(B) the date the property became payable or distributable.

(14) For United States savings bonds, three (3) years after the date the bonds stop earning interest.

~~(14)~~ **(15)** For all other property, the earlier of three (3) years after:

(A) the owner's right to demand the property; or

(B) the obligation to pay or distribute the property;

arose.

(d) Property is payable or distributed for purposes of this chapter notwithstanding the owner's failure to make demand or present an instrument or a document otherwise required to receive payment.

SECTION 3. IC 32-34-1-20.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: **Sec. 20.5. (a) Notwithstanding section 29(b) of this chapter, United States savings bonds that are presumed abandoned under section 20 of this chapter become unclaimed property and escheat to the state subject to the provisions of this chapter. All property rights and legal title to:**

(1) United States savings bonds; and

(2) proceeds from United States savings bonds;

vest solely in the state.

(b) If:

(1) a claim has not been filed for a United States savings bond in accordance with the provisions of this chapter within one hundred eighty (180) days after the date the bond stops



1 earning interest as described in section 20(c)(14) of this
2 chapter; and

3 (2) the attorney general brings an action under section 51 of
4 this chapter;

5 the court shall enter a judgment for the state concerning the bond
6 if the court is satisfied by the evidence that the attorney general has
7 substantially complied with the laws of the state.

8 (c) The attorney general shall:

9 (1) collect any United States savings bonds escheated to the
10 state, including any proceeds from the bonds; and

11 (2) transfer all money received to the treasurer of state for
12 deposit in the abandoned property fund under section 33 of
13 this chapter.

14 (d) A person who wishes to make a claim for a United States
15 savings bond escheated to the state under this section may file a
16 claim with the attorney general. Upon providing sufficient proof of
17 the validity of a person's claim filed under this subsection, the
18 attorney general may pay the claim, less any expenses and costs
19 that have been incurred by the state in securing full title and
20 ownership of the property by escheat.

21 (e) If payment has been made to a claimant under subsection
22 (d), an action may not be brought or maintained against the state,
23 or any officer of the state, for or on account of any acts taken by
24 the attorney general under this section.



COMMITTEE REPORT

Madam President: The Senate Committee on Civil Law, to which was referred Senate Bill No. 282, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is to SB 282 as introduced.)

ZAKAS, Chairperson

Committee Vote: Yeas 8, Nays 0

COMMITTEE REPORT

Mr. Speaker: Your Committee on Judiciary, to which was referred Senate Bill 282, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

(Reference is to SB 282 as printed January 28, 2015.)

STEUERWALD

Committee Vote: Yeas 9, Nays 0

